



# Matthews Asia

## RATINGS

Overall Morningstar Rating™ **★★★★**

## FUND FACTS (USD)

Total Fund Assets	\$269.6 million
Benchmark	MSCI China Small Cap Index
Management Fee	1.00%
Minimum Initial Investment	\$5,000,000/£2,500,000/€5,000,000
Minimum Subsequent Investment	None
Fund Domicile	Luxembourg
Available Share Classes	A, I, S
Base Currency	USD
Additional Dealing Currencies	GBP, EUR
Net Asset Value	
S Acc (USD)	\$10.92
S Acc (GBP)	£12.14
S Acc (EUR)	€6.04

## PORTFOLIO MANAGEMENT

<b>Winnie Chwang</b> Lead Manager	<b>Andrew Mattock, CFA</b> Lead Manager
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## KEY RISKS

The value of an investment in the Fund can go down as well as up and possible loss of principal is a risk of investing. Investments in international, emerging and frontier market securities may involve risks such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation, which may adversely affect the value of the Fund's assets. Investing in Chinese securities involve risks. Heightened risks related to the regulatory environment and the potential actions by the Chinese government could negatively impact performance. The Fund invests in holdings denominated in foreign currency, and is exposed to the risk that the value of the foreign currency will increase or decrease. The Fund invests primarily in equity securities, which may result in increased volatility. Investments in a single-country fund may be subject to a higher degree of market risk than diversified funds because of concentration in a specific country. The Fund invests in smaller companies, which are more volatile and less liquid than larger companies. Pandemics and other public health emergencies can result in market volatility and disruption. These and other risks associated with investing in the Fund can be found in the Prospectus.

## MATTHEWS ASIA

Matthews Asia believes in the long-term growth of Asia, one of the world's fastest-growing regions. Since 1991, we have focused our efforts and expertise in these countries, investing through a variety of market environments. Matthews Asia employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance. As of 30 September 2023, Matthews Asia had US\$11.0 billion in assets under management.

# China Small Companies Fund

Matthews Asia Funds

Effective 31 August 2021, the S class of the Matthews China Small Companies Fund closed to new investors.

## Class S Shares

30 September 2023

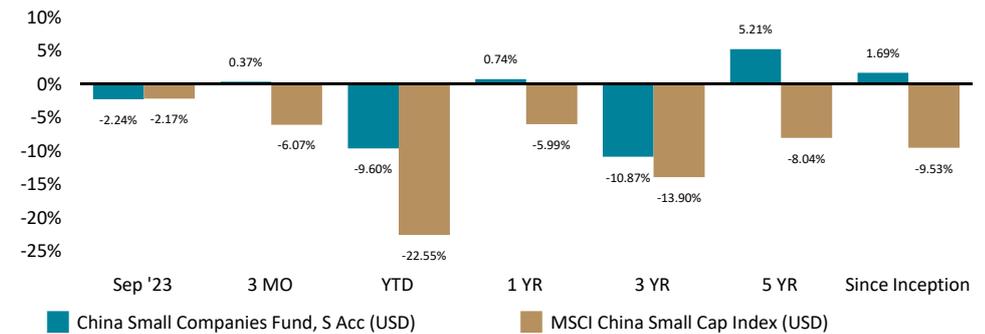
## Investment Objective

Long-term capital appreciation.

## Share Classes

Share Class	ISIN	SEDOL	CUSIP
S Acc (USD)	LU1845113809	BG02M99	L6258X662
S Acc (GBP)	LU1821814636	BFXY2H4	L6258X654
S Acc (EUR)	LU2353186013	BMD1Z97	L6258V237

## Performance as of 30 September 2023<sup>†</sup>



China Small Companies Fund	Sep '23	3 MO	YTD	1 YR	3 YR	5 YR	Since Inception	Inception
S Acc (USD)	-2.24%	0.37%	-9.60%	0.74%	-10.87%	5.21%	1.69%	29 Jun 2018
S Acc (GBP)	1.25%	3.67%	-11.19%	-9.13%	-9.47%	6.57%	3.66%	11 May 2018
S Acc (EUR)	0.33%	2.72%	-9.04%	-7.36%	n.a.	n.a.	-20.39%	15 Jul 2021
MSCI China Small Cap Index (USD)	-2.17%	-6.07%	-22.55%	-5.99%	-13.90%	-8.04%	-9.53% <sup>1</sup>	n.a.

## Rolling 12 Month Returns (For the period ended 30 September 2023)

China Small Companies Fund	2023	2022	2021	2020	2019
S Acc (USD)	0.74%	-39.84%	16.86%	70.95%	6.49%
S Acc (GBP)	-9.13%	-26.71%	11.43%	64.09%	12.91%
S Acc (EUR)	-7.36%	-28.51%	n.a.	n.a.	n.a.
MSCI China Small Cap Index (USD)	-5.99%	-43.27%	19.68%	16.67%	-11.71%

<sup>†</sup> All returns over 1 year are annualised

<sup>1</sup> Index calculated from 29 June 2018

**All performance quoted represents past performance and is no guarantee of future results.** Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than the original cost. Current performance may be lower or higher than performance shown. Investors investing in Funds denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal.

Performance details provided are based on a NAV-to-NAV basis with any dividends reinvested, and are net of management fees and other expenses. Source: Brown Brothers Harriman (Luxembourg) S.C.A., Bloomberg

Class S Shares will only be available until the total net assets of the Sub-Fund reaches or is greater than USD 100,000,000, or any other amount as determined by the Fund (the "Seed Investment Limit"). Upon attaining the Seed Investment Limit, Class S Shares may be closed to new investors at the discretion of the Fund. Class A, Class I and Class S Shares are available in the base currency of the Sub-Fund as well as such other currencies as may be determined by the Board of Directors from time to time.

# China Small Companies Fund

30 September 2023

## TOP TEN HOLDINGS<sup>2</sup>

	Sector	% of Net Assets
China Overseas Property Holdings, Ltd.	Real Estate	5.4%
Alchip Technologies, Ltd.	Information Technology	5.3%
Yangzijiang Shipbuilding Holdings, Ltd.	Industrials	4.7%
KE Holdings, Inc.	Real Estate	4.2%
Samsonite International SA	Consumer Discretionary	4.0%
Jason Furniture Hangzhou Co., Ltd.	Consumer Discretionary	4.0%
Full Truck Alliance Co., Ltd.	Industrials	3.9%
Anhui Yingjia Distillery Co., Ltd.	Consumer Staples	3.8%
Kanzhun, Ltd.	Communication Services	3.5%
ACM Research, Inc.	Information Technology	3.4%
<b>% OF ASSETS IN TOP TEN</b>		<b>42.2%</b>

Source: Brown Brothers Harriman (Luxembourg) S.C.A.

## SECTOR ALLOCATION (%)<sup>3</sup>

	Fund	Benchmark	Difference
Industrials	22.9	11.7	11.2
Consumer Discretionary	21.4	12.4	9.0
Information Technology	17.0	10.0	7.0
Real Estate	9.6	11.6	-2.0
Health Care	7.6	22.3	-14.7
Consumer Staples	6.9	3.9	3.0
Communication Services	5.2	9.4	-4.2
Financials	4.2	5.3	-1.1
Utilities	2.8	3.9	-1.1
Materials	0.0	8.2	-8.2
Energy	0.0	1.4	-1.4
Cash and Other Assets, Less Liabilities	2.4	0.0	2.4

Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit [www.msci.com](http://www.msci.com).

Source: FactSet Research Systems

## MARKET CAP EXPOSURE (%)<sup>3,4</sup>

	Fund	Benchmark	Difference
Mega Cap (over \$25B)	0.0	0.0	0.0
Large Cap (\$10B-\$25B)	8.7	0.0	8.7
Mid Cap (\$3B-\$10B)	62.5	1.5	61.0
Small Cap (under \$3B)	26.4	98.5	-72.1
Cash and Other Assets, Less Liabilities	2.4	0.0	2.4

Source: FactSet Research Systems

## PORTFOLIO CHARACTERISTICS

	Fund	Benchmark
Number of Positions	43	228
Weighted Avg. Market Cap (in billions)	\$5.2	\$1.2
Active Share <sup>5</sup>	96.7	n.a.
P/E Using FY1 Estimates <sup>6</sup>	16.2x	8.0x
P/E Using FY2 Estimates <sup>6</sup>	13.2x	6.7x
Price/Cash Flow <sup>7</sup>	12.3	4.8
Price/Book <sup>8</sup>	2.5	0.7
Return on Equity <sup>9</sup>	13.9	0.7
EPS Growth (3 Years) <sup>10</sup>	27.0%	12.2%

Source: FactSet Research Systems

## CHINA EXPOSURE (%)<sup>3,11</sup>

Hong Kong Listed Companies	37.2
Mainland China Listed Companies	26.3
ADR/GDR	14.6
Other	19.5
Cash and Other Assets, Less Liabilities	2.4

Source: FactSet Research Systems

- Holdings may combine more than one security from the same issuer and related depositary receipts.
- Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding. Percentage values may be derived from different data sources and may not be consistent with other Fund literature.
- Equity market cap of issuer. The Portfolio's market cap exposure breakdown presented is used for comparison purposes and the definition of the capitalization breakdown is from MSCI. The Fund defines Small Companies as companies with market capitalization no higher than the greater of US\$5 billion or the market capitalization of the largest company included in the Fund's primary benchmark, the MSCI China Small Cap Index.
- Active Share is calculated by taking the absolute value of the difference between portfolio holdings and benchmark weights, summing all of these differences, and dividing by two. The calculation will result in an active share number between 0%, which indicates the portfolio perfectly replicates the benchmark, and 100%, which indicates there is no overlap whatsoever between the portfolio and the index. Active Share was calculated including cash held in the Fund.
- The P/E Ratio is the share price of a stock as of the report date, divided by the forecasted earnings per share for a 12-month period (FY1) or a 24-month period (FY2). For the Fund, this is the weighted harmonic average estimated P/E ratio of all the underlying stocks in the Fund, excluding negative earners. There is no guarantee that the composition of the Fund will remain unchanged, or that forecasted earnings of a stock will be realized. Information provided is for illustrative purposes only.
- A measure of the market's expectations of a firm's future financial health. Because this measure deals with cash flow, the effects of depreciation and other non-cash factors are removed. Similar to price/earnings ratio, this measure provides an indication of relative value.
- Price-to-Book Ratio (P/B Ratio) is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. A lower P/B ratio could mean that the stock is undervalued.
- Return on Equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested, and is calculated as net income divided by shareholder's equity.
- Earnings Per Share (EPS) is the amount of annual profit (after tax and all other expenses) attributable to each share in a company. EPS is calculated by dividing profit by the average number of shares in a company. Earnings growth is not a measure of a fund's future performance.
- Mainland China listed Companies** include A Shares and B Shares. **A Shares** are Mainland Chinese companies incorporated in China and listed on the Shanghai or Shenzhen exchanges, available mostly to local Chinese investors and qualified institutional investors. **B Shares** are mainland Chinese companies listed on the Shanghai and Shenzhen stock exchanges, available to both Chinese and non-Chinese investors. **ADRs** are American Depositary Receipts and **GDRs** are Global Depositary Receipts. **Hong Kong Listed Companies** include SAR (Hong Kong) companies, China-affiliated corporations, and H Shares. SAR companies are companies that conduct business in Hong Kong and/or mainland China. China-affiliated corporations (CAC), also known as "Red Chips," are mainland China companies with partial state ownership listed in Hong Kong, and incorporated in Hong Kong. H Shares are mainland Chinese companies listed on the Hong Kong exchange but incorporated in mainland China. **Other** represents Chinese companies listed in other countries or non-China companies with a majority of revenue coming from China such as Japan, Singapore, Taiwan and the United States or other non-China companies.

# China Small Companies Fund

Matthews Asia Funds

## CONTACT INFORMATION

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Fund ratings represent an opinion only and are not a recommendation to buy or sell any fund.

The MSCI China Small Cap Index is a free float-adjusted market capitalization-weighted small cap index of the Chinese equity securities markets, including H shares listed on the Hong Kong exchange, B shares listed on the Shanghai and Shenzhen exchanges, Hong Kong-listed securities known as Red Chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g., ADRs). Index is for comparative purposes only and it is not possible to invest directly in an index.

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